

# PROPOSED RESOLUTION

WATER/RSK/BMD/AAS/ds4

AGENDA ID #12536  
ITEM #11  
(Rev. 1) 4:30 PM/12-3-13

## PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

DIVISION OF WATER AND AUDITS  
Water and Sewer Advisory Branch

RESOLUTION W-4960  
December 5, 2013

### RESOLUTION

(RES. W-4960) ROGINA WATER COMPANY.  
ORDER AUTHORIZING A GENERAL RATE  
INCREASE PRODUCING ADDITIONAL  
ANNUAL REVENUE OF \$133,938, OR 19.6%, IN  
TEST YEAR 2013.

### SUMMARY

By Advice Letter 63 filed on October 23, 2012, Rogina Water Company seeks to increase its rates for water service to recover increased operating expenses and earn an adequate return on its plant investment for test year 2012. Rogina Water Company requests to increase its water revenues by \$131,180, or 19.2%.

This resolution grants Rogina Water Company an increase in gross annual revenues of \$133,938 or 19.6% for test year 2013. The gross annual revenues will provide a Rate of Return of 10.80%.

### BACKGROUND

Rogina has requested authority under General Order 96-B, Water Industry Rule 7.3.3(5), and Section 454 of the Public Utilities Code to increase its revenues by \$131,180. Rogina Water Company (Rogina) is a Class C California water corporation currently providing service to 977 metered rate residential customers, 10 irrigation customers, and 3 private fire protection customers. Rogina's service area is located in the town of Talmage and vicinity, three miles east of the city of Ukiah, in Mendocino County.

Rogina's last general rate increase was granted on November 20, 2009, pursuant to Resolution (Res.) W-4802, which authorized a rate increase of \$99,155, or 16.24%, based on a Rate of Margin (ROM) of 23%. The present rates were established on October 23, 2012 by approval of Advice Letter (AL)-62, which authorized an interim 3.0%

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Consumer Price Index for 2012, subject to refund or increase to the rates found reasonable herein.

## **NOTICE AND PUBLIC MEETING**

Notice of the proposed rate increase was mailed to customers on November 5, 2012. The Division received four letters from customers opposing the rate increase. Rogina provided responses to all letters, which it shared with the Division.

A public meeting was held on November 26, 2012 at the County Office of Education, located at 2240 Old River Road in Ukiah, with five customers in attendance. The Division explained the process of the rate increase for Class C water utilities and Rogina's representatives explained the reasons for the rate increase. The rest of the meeting consisted of comments and questions by the customers. Concern was raised about a nearby fire and whether the system could respond if a fire should occur in Rogina's territory. The Division investigated this concern and a letter from the local Fire Chief certifying that Rogina meets all fire department requirements was provided to the Division on June 15, 2013.

## **DISCUSSION**

### **SUMMARY OF EARNINGS**

The Division made an independent analysis of Rogina's operations. Appendix A shows Rogina's and the Division's estimated summary of earnings at present, requested, and recommended rates for TY 2013.

The Division reviewed Rogina's operating revenues and expenses including purchased power and water, materials, contract work, laboratory services (water testing), other plant maintenance, management salaries, office service and rentals, office supplies and expenses, professional services, insurance, regulatory commission expenses, depreciation, and taxes other than income. The Division verified the operating expenses by reviewing supporting documents for substantiation and accuracy, and included the amounts that were deemed reasonable and prudent. Where Division's reviews agreed with Rogina's requests they have been accepted by the Division. Differences between the Division and Rogina are discussed below.

As 2012 has elapsed, this resolution grants Rogina a 2013 Test Year by escalating Division estimated 2012 expenses by factors provided by the Office of Ratepayer

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Advocates (ORA) for October 2013. The ratebase and the adopted quantities contained in Appendix A and Appendix D are also updated to reflect TY 2013.

## REVENUE

Rogina requested \$814,642 which is an increase in revenues of \$131,180, or 19.2%, over present revenues. Rogina used a Rate of Return (ROR) of 11.49% for its calculations. Rogina's last rate case used 23.0% Rate of Margin in Res.W-4802 dated November 20, 2009.

The Division estimated revenues for Test Year (TY) 2013 at \$817,400, which provides a revenue increase of \$133,938 with a Rate of Return of 10.80%.

Division adjusted several expenses as discussed below.

## OPERATING EXPENSES

### Purchased Water

Rogina is requesting \$18,800. This expense is a pass-through charge for payment to the Russian River Flood Control District. This water is needed since the water from the on-site wells is insufficient to meet the water needs of the utility's customers. The total purchased water bill was calculated as the quantity of 400 acre-feet per year multiplied by the rate of \$47 per acre-foot. The water quantity purchased has been a constant 400 acre-feet per year. Division considers the rate of \$47 per acre-foot as nominal. Division accepts the requested expense.

### Purchased Power

Rogina proposed an estimate of \$93,027 for this expense. Rogina used projected power usage for FY2012 before the year was completed. Division used the recorded FY2012 power bill to estimate TY 2013 purchased power, based on the 2013 sales forecast. Division recommends \$98,000 for this account.

### Other Volume Expense

Rogina proposed an estimate of \$11,125 for this expense. This account includes expenses related to the volume of water used such as ground water replenishment charges, chemicals used in water treatment and water rights leases based on volume. Rogina used the three year average of years 2009 to 2011 to make their estimate.

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Division used the three year average of years 2010 to 2012 which was \$14,478 for 2010, \$10,099 for 2011 and \$10,098 for 2012. This amounts to \$11,558. Escalating this amount by 1.4%, the Division recommends \$11,720 for this account.

## **Employee Labor**

Rogina proposed an estimate of \$68,600 for this expense. This account includes the wages of all employees, other than the owner or manager, whose time is utilized in the operation, repair and maintenance of the water system.

The Rogina staff consists of three part-time employees who operate the water utility, read meters and perform office duties. Based on their duties and salaries, the Division recommends \$66,000 for this account for 2012, escalated by 1.5% for TY 2013, for a TY 2013 estimate of \$66,990.

## **Materials**

Rogina proposed an estimate of \$19,469 for this expense. Materials expense includes the cost of maintenance and repair materials such as pipes, valves, clamps, sand, gravel, electrical parts, pumping equipment, water treatment equipment, etc. Rogina used their 2011 cost for materials which was \$19,032 and added a 2.4% escalation factor to propose \$19,469. Division used the recorded materials costs' three-year average of \$16,573 for 2010, \$19,032 for 2011 and \$13,424 for 2012 which amounts to \$16,343, escalated by 1.4% for a TY 2013 estimate of \$16,572.

## **Contract Work**

Rogina proposed an estimate of \$41,159 for this expense. This account includes the cost of services from outside contractors for maintenance, repairs, water quality testing fees and other services not performed by Rogina employees. Rogina used the three year average of years 2009 to 2011 for their estimate and added a 2.8% escalation factor. Division used the recorded contract work costs' three-year average of \$32,130 for 2010, \$41,213 for 2011 and \$36,544 for 2012 which amounts to \$36,629, escalated by 1.4% for a TY 2013 estimate of \$37,142.

## **Transportation**

Rogina proposed an estimate of \$27,160 for this expense. Transportation expense includes the cost of vehicle expenses to keep the vehicles in good operating condition plus gasoline and DMV renewal fees. The company operates two utility trucks. Rogina used the three year average of years 2009 to 2011 for their estimate and added a 2.4%

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escalation factor. Division used the recorded transportation costs' three-year average of \$33,810 for 2010, \$24,857 for 2011 and \$21,719 for 2012 which amounts to \$26,795, escalated by 1.4% for a TY 2013 estimate of \$27,170.

## Professional Services

Rogina proposed an estimate of \$8,069 for this expense. Professional services consist of accounting fees and mapping fees. Rogina used their 2011 cost for these services which was \$7,849 and added a 2.8% escalation factor. Division used the recorded professional services costs' three-year average of \$3,689 for 2010, \$9,559 for 2011 and \$15,241 for 2012 which amounts to \$9,496, escalated by 1.4% for a TY 2013 estimate of \$9,629.

## RATE DESIGN

Rogina's interim rates became effective on October 23, 2012, by approval of AL 62, which authorized an interim rate increase of 3%, subject to refund or increase, based on the final rates authorized in this resolution. The rates authorized by this resolution are higher than the interim rates; therefore, Rogina should be allowed to file a Tier 2 advice letter within 30 days from the effective date of this resolution to collect the under-collected revenues from the interim rate date to the effective date of the new rates.

Rogina's current rate structure consists of three schedules: Schedule No. 1, General Metered Service; Schedule No. 3M, Irrigation Service; and Schedule No. 4 Private Fire Protection Service.

The bill for a 5/8 x 3/4-inch metered residential customer using 10 ccf (hundred cubic feet) of water per month would increase from \$37.55 to \$40.92, or 9%. Appendix C contains a full rate comparison table.

## RATEBASE

The Division examined in detail Rogina's ratebase and associated plant accounts, accumulated depreciation, contributions and advances. Rogina reported an End of Year (EOY) balance of \$2,490,027 of utility plant in service for 2012 in its annual report. In TY 2013, Rogina expects to add \$309,556 in new plant consisting primarily of mainline replacements and the completion of a new water storage tank. The Division has reviewed the proposed rate base expenditures and verified that the plant additions for TY 2013 are prudent and necessary.

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For TY 2013, the Division projects an average plant in service balance of \$2,553,237 with an accumulated depreciation reserve of \$1,042,179.

### RATE OF RETURN

In D. 92-03-093 the Commission adopted the ROM method for ratemaking as an alternative to the ROR method for Class C and Class D water utilities. Therefore, to determine the authorized revenues for Rogina, Division performed these calculations using both the ROR and ROM methods. D. 92-03-093 requires use of the method that produces the greatest revenue.

Division annually updates the recommended rates for the ROR and ROM methods for Class C water utilities. For 2013, the recommended rates<sup>1</sup> are as follows:

	Rate of Return (ROR)	Rate of Margin (ROM)
Class C	10.30% to 11.30%	20.73%

Division computed Rogina's revenues using both methods; calculations used a ROR at a rate of 10.80% and a ROM at a rate of 20.73%. Division recommends that Rogina be granted an ROR at the mid-point of the range, or 10.80%. The revenues using the ROM resulted in \$772,995 compared to \$817,400 using the ROR method. Therefore, Division recommends using the ROR method for computing Rogina's revenue requirement.

### WATER RIGHTS APPLICATION

Res. W-4802 authorized Rogina's previous GRC to establish a memorandum account to track costs for hiring a consultant to conduct the necessary environmental studies required by the California Environmental Quality Act (CEQA) for Rogina's water rights application with the State Water Resources Control Board (SWRCB) to secure water for its present and future customers from the Russian River. Rogina established that account by means of AL 57, dated January 25, 2010. As of October 17, 2013, Rogina has incurred \$4,823 in that account. Rogina expects approximately two more years of expenses for that effort before filing for reimbursement.

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<sup>1</sup> Division memo: Rates of Return and Rates of Margin for Class C and D Water Utilities, March 22, 2013.

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## COMPLIANCE

There are no outstanding Commission orders requiring system improvements. Rogina has been filing annual reports as required. According to the Department of Public Health, the utility currently meets all applicable water quality standards. A letter from the local Fire Chief, which certified that Rogina meets all fire department's requirements, was provided to Division on June 15, 2013.

## COMMENTS

Public Utilities Code Section 311(g)(1) provides that resolutions generally must be served on all parties and subject to at least 30 days public review and comment prior to a vote of the Commission. Accordingly, this Proposed Resolution was mailed to the utility and service list, and made available for public comment on October 31, 2013.

Comments were filed by Rogina on November 25, 2013. Rogina raised minor concerns about two of the recommended operating expenses; for purchased power and employee labor, an incorrect date listed for the interim rate and an addition error in the Summary of Earnings contained in Appendix A. To the extent that changes were necessary, they have been made herein.

In addition, Rogina expressed concern with the proposed rate design. Rogina is concerned that the three-tier rate design with inclining blocks, will prevent Rogina the opportunity to realize the recommended revenue requirement. And, as Rogina does not have a Water Revenue Adjustment Mechanism, or WRAM, which has been granted to the Class A water utilities, Rogina believes that there is no opportunity for them to recover lost revenues due to the imposition of tiered rates and the possible conservation that will occur.

The Division has considered Rogina's view and agrees that a three-tier rate structure is potentially punitive to Rogina considering the number of water connections, available water supply, and impact on revenues. The Division has revised the rate design for Schedule No. 1 General Metered Service, with a single tier. While the Division strongly supports conservation as the best, lowest cost source of new supply, and recognizes and supports the legislative mandate for a 20% per capita water use reduction by 2020, the imposition of a three-tier rate structure on Rogina at this time will unnecessarily burden both utility and customer alike.

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## FINDINGS

1. Rogina Water Company (Rogina) has requested authority under Section 7.6.2 of General Order (GO) 96-B and Section 454 of the Public Utilities Code to increase its water rates by \$131,180 or 19.2%, in Test Year (TY) 2013.
2. The purpose of the rate increase is to recover increased operating expenses and to provide an adequate return.
3. The present rates were established on October 23, 2012 by approval of Advice Letter (AL) 62, which authorized a 3.0% Consumer Price Index for 2012.
4. Rogina provides water to 977 metered rate residential customers, ten irrigation customers, and three private fire protection customers in the service area located in the town of Talmage and vicinity, three miles east of the city of Ukiah, in Mendocino County.
5. In accordance with GO 96-B, AL 63 was served to each customer of Rogina, as well as to its advice letter service list by mail on November 5, 2012.
6. The Division of Water and Audits (Division) received four letters regarding the proposed rate increase. Rogina responded to the letters.
7. Division made an independent analysis of the utility's operations.
8. This resolution grants Rogina a 2013 Test Year.
9. Division estimated 2012 expenses are escalated by factors provided by the Office of Ratepayer Advocates (ORA) for October 2013.
10. The ratebase and the adopted quantities contained in Appendix A and Appendix D are also updated to reflect TY 2013.
11. Division's Audit & Compliance Branch has determined that the appropriate rate of return (ROR) is 10.30% to 11.30% for TY 2013.
12. Division found that using the ROR of 10.80%, the midpoint of the recommended range, would produce \$817,400 in revenue for TY 2013, which is higher than the revenue calculated using the Rate of Margin (ROM) method.
13. Division recommends using the ROR method for determining the revenue requirement.



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14. For TY 2013, the Division projects an average plant in service balance of \$2,553,237 with an accumulated depreciation reserve of \$1,042,179.
15. Rogina's current rate structure consists of three schedules: Schedule No. 1, General Metered Service; Schedule No. 3M, Irrigation Service; and Schedule No. 4 Private Fire Protection Service. Only Schedule No. 1, General Metered Service was increased.
16. There are no outstanding Commission orders requiring system improvements.
17. The utility currently meets all applicable water quality standards.
18. Division recommended earnings (Appendix A) are reasonable and should be adopted.
19. The rates recommended by Division (Appendix B) are reasonable and should be adopted.
20. The quantities (Appendix D) used to develop Division's recommendations are reasonable and should be adopted.
21. The bill for a 5/8 x 3/4-inch metered residential customer using 10 ccf (hundred cubic feet) of water per month would increase from \$37.55 to \$40.92, or 9%.
22. It is appropriate to grant Rogina an increase in gross annual revenues for TY 2013 of \$133,938 or 19.6%.

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### THEREFORE IT IS ORDERED THAT:

1. Authority is granted under Public Utilities Code Section 454 to Rogina Water Company to file a supplemental advice letter with the revised rate schedules attached to this resolution as Appendix B, and concurrently cancel its presently effective Schedule No. 1, General Metered Service; Schedule No. 3M, Irrigation Service; and Schedule No. 4 Private Fire Protection Service. The effective date of the revised schedules shall be five days after the date of filing.
2. Rogina Water Company is authorized to file a Tier 2 advice letter within 30 days from the effective date of this resolution to collect the under-collected revenues from October 23, 2012, the interim rate date, to the effective date of the new rates established in this resolution. The advice letter shall become effective upon approval of the Division of Water and Audits.
3. The quantities (Appendix D) used to develop the Division of Water and Audits' recommendations are adopted.
4. This resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed, and adopted at a conference of the Public Utilities Commission of the State of California held on December 5, 2013; the following Commissioners voting favorably thereon:

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PAUL CLANON  
Executive Director

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## APPENDIX A

APPENDIX A						
Rogina Water Company - SOE - TY 2013						
		Rogina		DWA		DWA
		Present	Requested	Present	Requested	Recommended
		Rates	Rates	Rates	Rates	Rates
<b>Operating Revenues</b>						
	Metered Rates	\$662,529	\$790,224	\$662,529	\$792,934	\$792,934
	Irrigation	\$17,033	\$20,293	\$17,033	\$20,371	\$20,371
	Private Fire	\$993	\$1,218	\$993	\$1,188	\$1,188
	Other Water Revenue	\$2,907	\$2,907	\$2,907	\$2,907	\$2,907
	<b>Total Revenue</b>	<b>\$683,462</b>	<b>\$814,642</b>	<b>\$683,462</b>	<b>\$817,400</b>	<b>\$817,400</b>
<b>Operating Expenses</b>						
	610 Purchased Water	\$18,800	\$18,800	\$18,800	\$18,800	\$18,800
	615 Purchased Power	\$93,027	\$93,027	\$98,000	\$98,000	\$98,000
	618 Other Volume Related Expenses	\$11,125	\$11,125	\$11,720	\$11,720	\$11,720
	630 Employee Labor	\$68,600	\$68,600	\$66,990	\$66,990	\$66,990
	640 Materials	\$19,469	\$19,469	\$16,572	\$16,572	\$16,572
	650 Contract Work	\$41,159	\$41,159	\$37,142	\$37,142	\$37,142
	660 Transportation Expenses	\$27,160	\$27,160	\$27,170	\$27,170	\$27,170
	664 Other Plant Maintenance	\$0	\$0	\$0	\$0	\$0
	670 Office Salaries	\$25,225	\$25,225	\$25,603	\$25,603	\$25,603
	671 Management Salaries	\$72,621	\$72,621	\$73,710	\$73,710	\$73,710
	674 Employee Pensions and Benefits	\$34,741	\$34,741	\$35,227	\$35,227	\$35,227
	676 Uncollectable Accounts	\$2,029	\$2,029	\$2,029	\$2,029	\$2,029
	678 Office Services and Rentals	\$1,458	\$1,458	\$1,622	\$1,622	\$1,622
	681 Office Supplies and Expenses	\$26,962	\$26,962	\$27,339	\$27,339	\$27,339
	682 Professional Services	\$8,069	\$8,069	\$9,629	\$9,629	\$9,629
	684 Insurance	\$24,003	\$24,003	\$24,339	\$24,339	\$24,339
	688 Regulatory Commission Expense	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
	689 General Expense	\$24,853	\$24,853	\$25,201	\$25,201	\$25,201
	<b>Subtotal</b>	<b>\$509,301</b>	<b>\$509,301</b>	<b>\$511,094</b>	<b>\$511,094</b>	<b>\$511,094</b>
	403 Depreciation	\$69,843	\$69,843	\$69,843	\$69,843	\$69,843
	408 Taxes Other Than Income	\$30,344	\$30,344	\$30,344	\$30,344	\$30,344
	409 State Income Taxes	\$6,539	\$16,374	\$5,087	\$18,221	\$18,221
	410 Federal Income Taxes	\$11,859	\$49,102	\$8,114	\$56,530	\$56,530
	<b>Total Deductions</b>	<b>\$627,886</b>	<b>\$674,964</b>	<b>\$624,482</b>	<b>\$686,032</b>	<b>\$686,032</b>
	<b>Net Revenue</b>	<b>\$55,576</b>	<b>\$139,678</b>	<b>\$58,980</b>	<b>\$131,368</b>	<b>\$131,368</b>
<b>Rate Base</b>						
	Average Plant	\$2,553,238	\$2,553,238	\$2,553,238	\$2,553,238	\$2,553,238
	Average Dep. Reserve	\$1,042,179	\$1,042,179	\$1,042,179	\$1,042,179	\$1,042,179
	<b>Net Plant</b>	<b>\$1,511,059</b>	<b>\$1,511,059</b>	<b>\$1,511,059</b>	<b>\$1,511,059</b>	<b>\$1,511,059</b>
<b>Less:</b>	Advances	\$62,076	\$62,076	\$62,076	\$62,076	\$62,076
	Contributions in Aid of Construction	\$242,402	\$242,402	\$242,402	\$242,402	\$242,402
	Deferred Income Tax	\$42,970	\$42,970	\$42,591	\$42,591	\$42,591
<b>Plus:</b>	Construction Work in Progress	\$0	\$0	\$0	\$0	\$0
	Working Cash	\$42,443	\$42,443	\$43,235	\$43,235	\$43,235
	Materials and Supplies	\$9,500	\$9,500	\$9,500	\$9,500	\$9,500
<b>Rate Base</b>		<b>\$1,215,554</b>	<b>\$1,215,554</b>	<b>\$1,216,725</b>	<b>\$1,216,725</b>	<b>\$1,216,725</b>
<b>Rate of Return</b>		<b>4.57%</b>	<b>11.49%</b>	<b>4.85%</b>	<b>10.80%</b>	<b>10.80%</b>

END APPENDIX A

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## APPENDIX B

**Rogina Water Company**

**Schedule No. 1**

**GENERAL METERED SERVICE**

**Test Year 2013**

### **APPLICABILITY**

Applicable to all metered water service.

### **TERRITORY**

Talmage and vicinity, near Ukiah, Mendocino County.

### **RATES**

Quantity Rates:	<u>Per Month</u>	
Water used per 100 Ccf	\$ 1.88	(I)
Service Charge:		
For 5/8 x 3/4-inch meter	\$ 22.08	(I)
For 3/4-inch meter	\$ 33.12	(I)
For 1-inch meter	\$ 55.20	(I)
For 1-1/2-inch meter	\$ 110.41	(I)
For 2-inch meter	\$ 176.65	(I)
For 3-inch meter	\$ 331.22	(I)
For 4-inch meter	\$ 552.03	(I)
For 6-inch meter	\$1,104.07	(I)

The Service Charge is a readiness-to-serve charge which is applicable to all metered water service, and to which is added the monthly charge computed at the Quantity Rate.

### **SPECIAL CONDITIONS**

1. A late charge will be imposed by Schedule No. LC.
2. In accordance with Section 2714 of the Public Utilities Code, if a tenant in a rental unit leaves owing the company, service to subsequent tenants in that unit will, at the company's option, be furnished on the account of the landlord or property owner.
3. All bills are subject to Reimbursement Fee set forth in Schedule No. UF.

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## Schedule No. 3M IRRIGATION SERVICE

### APPLICABILITY

Applicable to all metered irrigation service

### TERRITORY

Talmage and vicinity, near Ukiah, Mendocino County

### RATES

	Per Meter	
Quantity Rates:		Per Year
All water used per 100 cubic feet .....	\$ 1.138	(D)
Service Charge:		
For 1-1/2-inch meter .....	\$ 745.11	(I)
For 2-inch meter .....	\$ 1,192.17	(I)
For 3-inch meter .....	\$ 2,235.32	(I)
For 4-inch meter .....	\$ 3,725.53	(I)
For 6-inch meter .....	\$ 7,451.07	(I)

The Service Charge is a readiness-to-serve charge which is applicable to all metered service, and to which is to be added the monthly charge computed at the Quantity Rate.

### SPECIAL CONDITIONS

1. The annual service charge shall be payable prior to commencement of each irrigation year.
2. This service charge is secondary to domestic service and the utility must be given 24 hours notice before each irrigation. In the event that insufficient water is available for all irrigation users to be served at the same time, rotation of use may be required
3. All bills are subject to the Reimbursement Fee set forth in Schedule No. UF.

(continued)

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## Schedule No. 4

### PRIVATE FIRE PROTECTION SERVICE

#### APPLICABILITY

Applicable to all water service furnished for privately-owned fire protection systems

#### TERRITORY

Talmage and vicinity, near Ukiah, Mendocino County

#### RATES

##### Quantity Rates:

All water used per 100 cubic feet ..... \$ 1.694 (I)

##### Service Charge:

Per Service Per Month

For each inch in diameter of service connection ..... \$5.22 (I)

#### SPECIAL CONDITIONS

1. The fire protection service connection shall be installed by the utility and the cost paid by the applicant. Such payment shall not be subject to refund.
2. The minimum diameter for fire protection service shall be four inches, and the maximum diameter shall not be more than the main to which the service connected.
3. If a distribution main of adequate size to serve a private fire protection system in addition to all the other normal service does not exist in the street or alley adjacent to the premises to be served, then a service main from the nearest existing main of adequate capacity shall be installed by the utility and the cost paid by the applicant. Such payment shall not be subject to refund.
4. Service hereunder is for private fire protection systems to which no connection for other than fire protection purposes are allowed and which are regularly inspected by the underwriters having jurisdiction, are installed according to specifications of the utility and are maintained to the satisfaction of the utility. The utility may install the standard detector type meter approved by the Board of Fire Underwriters for the protection against theft, leakage, or waste of water, and the cost paid by the applicant. Such payment shall not be subject to refund.
5. The utility undertakes to supply only such water at such pressure as may be available at any time through the normal operation of its system.
6. All bills are subject to the Reimbursement Fee set forth in Schedule No. UF.

END OF APPENDIX B

# PROPOSED RESOLUTION

RES. W-4960  
WATER/RSK/BMD/AAS/ds4

AGENDA ID #12536  
ITEM #11  
(Rev. 1) 4:30 PM/12-3-13

## APPENDIX C

### Rogina Water Company

#### Comparison of Rates

Test Year 2013

		Tariff Rates		Recommended Increase	
		<u>Current</u>	<u>Recommended</u>	<u>Dollars</u>	<u>Percentage</u>
Service Charge:					
	5/8 x 3/4-inch meter	\$19.70	\$22.08	\$2.38	12.09%
	3/4-inch meter	\$29.61	\$33.12	\$3.51	11.86%
	1 inch meter	\$49.32	\$55.20	\$5.88	11.93%
	1 1/2 -inch meter	\$98.63	\$110.41	\$11.78	11.94%
	2 inch meter	\$157.86	\$176.65	\$18.79	11.90%
	3 inch meter	\$296.01	\$331.22	\$35.21	11.89%
	4 inch meter	\$493.50	\$552.03	\$58.53	11.86%
	6 inch meter	\$986.58	\$1,104.07	\$117.49	11.91%
	TOTAL:				
	Quantitiy Charge:				
	All use per 100 cubic	<b>\$1.79</b>	\$1.88	\$0.10	5.55%

A monthly bill comparison for a customer with 5/8 x 3/4-inch meter is shown below:

		Tariff Rates		Recommended Increase	
	<u>Usage 100 cu. Ft.</u>	<u>Present</u>	<u>Recommended</u>	<u>Dollars</u>	<u>Percentage</u>
	0	\$19.70	\$22.08	\$2.38	12.09%
	5	\$28.63	\$31.50	\$2.88	10.05%
	10	\$37.55	\$40.92	\$3.37	8.98%
	15	\$46.48	\$50.34	\$3.87	8.32%
	20	\$55.40	\$59.76	\$4.36	7.87%

END OF APPENDIX C

# PROPOSED RESOLUTION

RES. W-4960  
WATER/RSK/BMD/AAS/ds4

AGENDA ID #12536  
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## APPENDIX D

### Rogina Water Company

#### ADOPTED QUANTITIES

##### Test Year 2013

##### Purchased Power

Total kWh	575,000
Total Cost	\$98,000

Property Taxes	\$ 19,118
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##### Service Connections

5/8 -inch by 3/4 inch	711
1 -inch	247
1 ½ -inch	13
2 - inch	<u>6</u>
Total	977

Irrigation customers	11
Private Fire Protection customers	3

Water Consumption	218,135 Ccf
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##### Tax Calculations

	<u>TY 2013</u>
Operating Revenues	\$817,400
Expenses	\$511,094
Depreciation	\$ 69,843
Taxes other than Income	\$ 30,344
Taxable Income for State	\$206,119
State tax	\$ 18,221
Taxable Income for Federal	\$187,898
Federal tax	\$ 56,530

END OF APPENDIX D



## PROPOSED RESOLUTION

RES. W-4960  
WATER/RSK/BMD/AAS/ds4

AGENDA ID #12536  
ITEM #11  
(Rev. 1) 4:30 PM/12-3-13

### CERTIFICATE OF SERVICE

I certify that I have by either electronic mail or postal mail, this day, served a true copy of Proposed Resolution No. W-4960 on all parties in these filings or their attorneys as shown on the attached lists.

Dated October 31, 2013, at San Francisco, California.

/s/ DANIEL SONG

Daniel Song

Parties should notify the Division of Water and Audits, Fourth Floor, California Public Utilities Commission, 505 Van Ness Avenue, San Francisco, CA 94102, of any change of address to ensure that they continue to receive documents. You must indicate the Resolution number on which your name appears.

## **PROPOSED RESOLUTION**

**RES. W-4960**  
**WATER/RSK/BMD/AAS/ds4**

**AGENDA ID #12536**  
**ITEM #11**  
**(Rev. 1) 4:30 PM/12-3-13**

### **ROGINA WATER COMPANY**

#### **ADVICE LETTER NO. 63** **SERVICE LIST**

Rami Khalon, Director  
Division of Water and Audits  
CA Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, CA 94102

Millview County Water District  
3081 North State Street  
Ukiah, CA 95482

Willow County Water District  
151 Laws Avenue  
Ukiah, CA 95482

City of Ukiah  
300 Seminary Avenue  
Ukiah, CA 95482